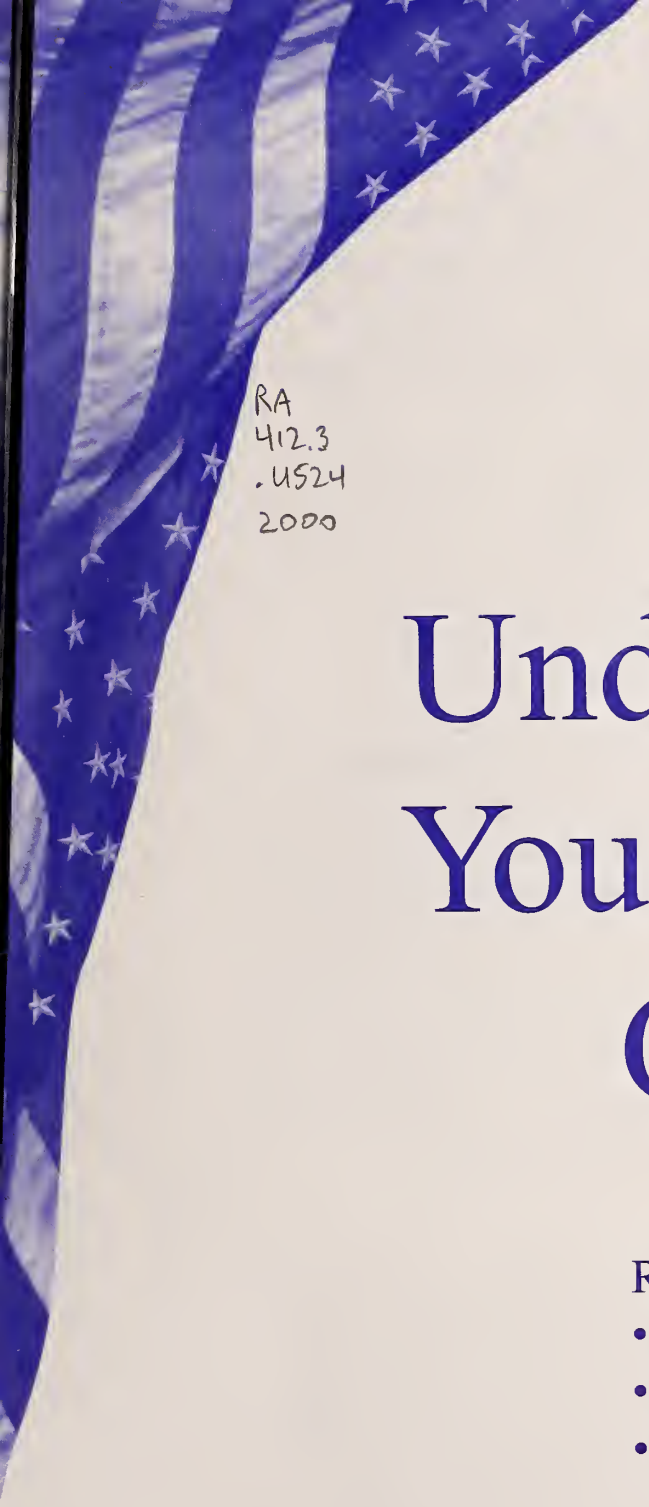

Medicare & You
The knowledge to make good decisions

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# Understanding Your Medicare Choices

Read this booklet to learn about:

- The Original Medicare Plan
- Medicare managed care plans
- Private Fee-for-Service plans

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Health Care Financing Administration
*The Federal Medicare Agency*

Choosing a Medicare health care plan is a very important decision for you to make. It affects how much you pay, what extra benefits you may have, which doctors you can see, and other things that may be important to you. You should make your decision carefully, and with the help of people you trust.

**No matter what health care plan you choose, you are still in the Medicare program.**

In Medicare, you may be able to get your health care coverage from the following health plans (see pages 4-7 of this booklet for more details):

- The Original Medicare Plan

  This health care plan is also known as "fee-for-service." It is offered by the federal government and is available nationwide. You are usually charged a fee for each health care service or supply you get. If you are happy getting your health care this way, you do not have to change. You will stay in the Original Medicare Plan unless you choose to join a Medicare managed care plan or a Private Fee-for-Service plan. To help cover the costs the Original Medicare Plan does not cover, you may buy a Medigap policy (supplemental insurance). A Medigap policy fills gaps in the Original Medicare Plan coverage.

- Medicare managed care plan

  This health plan is sometimes called an HMO. It is offered by private insurance companies and is available in many areas of the country. Many people with Medicare choose a managed care plan. Medicare pays a set amount of money every month to the private insurance company. In most managed care plans, you can only go to certain doctors and hospitals that agree to treat members of the plan. You can often get extra benefits, like prescription drugs.

- Private-Fee-for-Service plan

  This is a new health care plan offered by private insurance companies. It is available in some areas of the country. Medicare pays a set amount of money every month to the private insurance company. The insurance company rather than the Medicare program, decides how much it pays and how much you pay, for the services you get.

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To join a Medicare managed care plan or Private Fee-for-Service plan, you must have both Part A (hospital insurance) and Part B (medical insurance); live in the service area of the plan; and not have End-Stage Renal Disease (ESRD, permanent kidney failure requiring dialysis or a kidney transplant). ESRD patients can stay in the plan they are in or join another plan offered by the same company. If you've had a successful kidney transplant, you may be able to join a plan. Call 1-800-MEDICARE (1-800-633-4227) for more information about ESRD and Medicare health plans.

You may have heard about Medicare Medical Savings Accounts. At the time this was printed, no private insurance companies were offering these types of plans to people with Medicare. To find out if any of these plans have become available in your area, or to learn more about them, call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy of *Your Guide to Medicare Medical Savings Accounts.*

**For more information about your Medicare health plan choices, and to get an up-to-date list of health plans available in your area:**

Call 1-800-MEDICARE (1-800-633-4227, TTY/TDD: 1-877-486-2048 for the hearing and speech impaired) and ask for:

- A free copy of detailed plan information on costs, extra benefits, quality, and disenrollment information for plans in your area.
- A free copy of the *Worksheet for Comparing Medicare Health Plans* to help you compare plans.

Look on the Internet at www.medicare.gov to find plan information for your area, including their costs, extra benefits, quality, and disenrollment information, as well as booklets that you can read or print out.

Call the State Health Insurance Assistance Program (SHIP) in your area. The phone number for your SHIP is printed in your copy of *Medicare & You*, or you can call 1-800-MEDICARE (1-800-633-4227) and ask for a copy of it.

Look on the Internet at www.medicare.gov and select Helpful Contacts to find the State Health Insurance Assistance Program (SHIP) phone number in your area.

Here are the ways you may be able to get your Medicare health care:

| Plan: | What it is: | How it works: |
|---|---|---|
| **Original Medicare Plan** | ▶ The traditional pay-per-visit (also called fee-for-service) arrangement offered by the federal government.<br>▶ Available nationwide. | ▶ You may go to any doctor, specialist, or hospital that accepts Medicare. Generally, a fee is charged each time you get a service.<br>▶ You pay the monthly Part B premium of $45.50 (in 2000).<br>▶ You pay an amount for your health care each year (deductible) before Medicare pays its part. Then Medicare pays its share for a service and you pay your share (coinsurance) or a fixed copayment amount.<br>▶ You get an Explanation of Medicare Benefits or a Medicare Summary Notice in the mail. These are sent by a company that handles bills for Medicare. The notice lists the amount you may be billed.<br>▶ For more information about the Original Medicare Plan, call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy of *Medicare & You* or look on the Internet at www.medicare.gov and select Publications to read or print it out. |

Here are the ways you may be able to get your Medicare health care:

| Plan: | What it is: | How it works: |
|---|---|---|
| **Original Medicare Plan with a Medigap Policy** | ▶ The Original Medicare Plan plus one of up to ten standardized Medigap policies sold by private insurance companies. A "Medigap" policy fills gaps in Original Medicare Plan coverage.<br><br>▶ Standardized Medigap policies are available in all states except Massachusetts, Minnesota, and Wisconsin. If you live in one of these three states, call your State Insurance Department or look on the Internet at www.medicare.gov and select Medigap Compare. | ▶ Generally you may go to any doctor, specialist, or hospital that accepts Medicare, unless you have a Medicare SELECT policy. With Medicare SELECT, you need to use specific hospitals and doctors to get full insurance benefits (except in an emergency).<br><br>▶ Medigap policies only work with the Original Medicare Plan. Depending on which Medigap policy you buy, you will have coverage for some of the costs the Original Medicare Plan doesn't cover.<br><br>▶ You pay the monthly Medicare Part B premium of $45.50 (in 2000).<br><br>▶ You will have to pay a premium for your Medigap policy to a private insurance company.<br><br>▶ The Medicare Carrier will process the claim and send it to the Medigap insurance company. The carrier will send you an Explanation of Medicare Benefits or Medicare Summary Notice. Your Medigap insurance company will pay your doctor or provider directly and then send you a notice.<br><br>▶ To get information about Medigap policies in your state:<br>☎ call your State Insurance Department to find out what Medigap polices are available and which companies sell them;<br>☎ call your State Health Insurance Assistance Program to get free counseling to help you decide which policy is best for you;<br>💻 look on the Internet at www.medicare.gov and select Medigap Compare; and<br>💻 look on the Internet at www.medicare.gov and select Publications to read or print out the *Guide To Health Insurance for People with Medicare*. |

Here are the ways you may be able to get your Medicare health care:

| Plan: | What it is: | How it works: |
|---|---|---|
| **Medicare Managed Care Plan** | ▶ A Medicare managed care plan, sometimes called an HMO, is offered by private insurance companies.<br><br>▶ Available in many areas of the United States. | ▶ In most managed care plans, you can only go to certain doctors and hospitals that agree to treat members of the plan.<br><br>▶ Generally, you can only see a specialist (like a cardiologist) when you get a referral, which means your primary care doctor says it is OK to go.<br><br>▶ Some managed care plans offer a Point-of-Service option. This allows you to go to other doctors and hospitals that are not a part of the plan. Most of the time this option costs you more, and gives you more choices.<br><br>▶ You must pay the monthly Part B premium of $45.50 (in 2000).<br><br>▶ Medicare pays a set amount of money every month to a private insurance company.<br><br>▶ You may have to pay an additional monthly premium.<br><br>▶ Most plans charge you a set amount (copayment), like $5 or $10 every time you see your doctor.<br><br>▶ You must live in the plan's service area (the area in which the plan accepts members) and get your services there.<br><br>▶ You can often get extra benefits, like prescription drugs.<br><br>▶ For more information on Medicare managed care plans, call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy of *Medicare & You*. You may also look on the Internet at www.medicare.gov and select Publications to read or print out *Medicare & You* and/or select Medicare Health Plan Compare. |

Here are the ways you may be able to get your Medicare health care:

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| Plan: | What it is: | How it works: |
|---|---|---|
| **Private Fee-for-Service Plan** | ▶ A new type of health care plan offered by private insurance companies.<br>▶ Available in some areas of the country.<br>▶ Not the same as the Original Medicare Plan, which is offered by the federal government. | ▶ You can go to any doctor or hospital that accepts the terms of the plan's payment.<br>▶ You may have pre-notification requirements (for example, a requirement that you notify the plan of any planned inpatient admissions).<br>▶ You must pay the monthly Part B premium of $45.50 (in 2000).<br>▶ Medicare pays a set amount of money every month to a private insurance company.<br>▶ You may have to pay an additional monthly premium.<br>▶ The insurance company provides health care coverage to people with Medicare who join this plan. You pay and the insurance company pays a fee for each doctor visit or service you get.<br>▶ The insurance company, rather than the Medicare program, decides how much it pays, and how much you pay, for services you get.<br>▶ You must live in the service area, but you don't have to get services there.<br>▶ You may be able to get extra benefits, like coverage for additional days in the hospital.<br>▶ For more information on Private Fee-for-Service plans, call 1-800-MEDICARE (1-800-633-4227) and ask for a copy of *Your Guide to Private Fee-for Service Plans*, or go to the Internet at www.medicare.gov and select Publications to read or print a copy of it. |

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